m/21/004



RECEIVED

AUG 2 0 2001

DIVISION OF OIL, GAS AND MINING

August 15, 2001

Mr. Ed Ginouves
United States Department of the Interior
Bureau of Land Management
176 East DL Sargent Drive
Cedar City, Utah 84720

RE: Escalante tailing pond bond

Dear Mr. Ginouves:

Per our 8/8/01telephone conversation I am submitting the following proposal to deal with knapweed control at the Escalante tailing pond and release of the bond covering tailing pond revegetation.

Hecla currently maintains a bond of \$31,230 for revegetation of the tailing pond. BLM has already determined that the vegetative cover over the pond cap is adequate so the only outstanding issue preventing full bond release has been the discovery of knapweed within the reclaimed area.

Knapweed is present on both public and private land in the vicinity of the pond. From our telephone conversations it appears that the source of the knapweed is unknown and that the infestation on the tailing pond could well have been introduced from an outside source, after reclamation was complete. Requiring complete eradication on the tailing pond would not be feasible if there is a viable population existing outside the area to be monitored by Hecla. Knapweed that remains outside Hecla's area of responsibility would continue to provide a source of seed and the potential for reinfestation within the reclaimed area.

Hecla has previously committed, in an April 17, 2001 letter to the Utah Division of Oil, Gas, and Mining (UDOGM), to monitor and control knapweed through 2002. The letter indicated that Hecla did not feel this commitment required bonding. Hecla proposes to abide by the commitment made to UDOGM by monitoring for and destroying knapweed through 2002. If knapweed is present outside the reclaimed area in 2002, the requirement to continue weed control work would place an unnecessary burden on Hecla. Without complete control of seed sources outside the tailing pond there is little chance that Hecla





could successfully eradicate the weed within its area of responsibility. If this situation occurs, Hecla should be released from its obligations relating to knapweed. If no knapweed can be found outside the reclaimed area in 2002, but it is still present on the tailing pond, Hecla will continue to monitor and control it through 2004.

Hecla is committed to doing its fair share to control knapweed, but is also interested in assuring its efforts are worthwhile. Hecla requests, in conjunction with the proposal outlined above, that the existing tailing pond revegetation bond be released.

You may call me at (208) 769-4157 if you have any questions regarding this.

Very truly yours,

Alan Wilson

Senior Reclamation Engineer

a Wills

cc: L. Drew

L. Kunzler, UDOGM